NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises.

THIS LEASE AGREEMENT is made this



## PAID UP OIL AND GAS LEASE (No Surface Use)

, 2009, by and between

day of FEDRUGIU

whose addresss is 4124 DONAICE Street FORTU	Orth 1 EXC13 76119	as Lessor,
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas 1	exas 75201, as Lessee. All printed portions of this	lease were prepared by the party
hereinabove named as Lessee, but all other provisions (including the completion of blant 1. In consideration of a cash bonus in hand paid and the covenants herein or	; spaces) were prepared jointly by Lessor and Lessor intained. Lessor hereby grants, leases and lets e	ee. xclusively to Lessee the following
described land, hereinafter called leased premises:	intamod, 20000 no.22) grants, reserve and reserve	
15/0 ACRES OF LAND MODE OF LESS REING LOTION	Pill	BLOCK $2$ .
OUT OF THE VICAL CICAL MS (SU DOLVISION)	ADDITION AN AE	_, BLOCK
TOPS WORLD	V TOVAS ACCORDING TO THAT CE	DITAIN DI AT DECODDED
TONT WOMEN TARRANT COUNT IN VOLUME 388-0 PAGE 39 0	THE DIAT DECORDING TO THAT CE	COUNTY TEYAS
IN VOLUME	F THE PLAT RECORDS OF TARRANT	COOMIT, TEXAS.
, بـــ		
in the County of <u>Tarrant</u> , State of TEXAS, containing . 156 gross acre	s, more or less (including any interests therein whic	h Lessor may hereafter acquire by
reversion, prescription of otherwise), for the purpose of exploring for developing, pro-	ducing and marketing oil and gas, along with all h	ydrocarbon and non hydrocarbon
substances produced in association therewith (including geophysical/seismic operation)	ons). The term "gas" as used herein includes t	relium, carbon dioxide and other
commercial gases, as well as hydrocarbon gases. In addition to the above-described land now or hereafter owned by Lessor which are contiguous or adjacent to the above-	eased premises, this lease also covers accretions described leased premises, and, in consideration of	of the aforementioned cash bonus.
Lessor agrees to execute at Lessee's request any additional or supplemental instrument	s for a more complete or accurate description of the	land so covered. For the purpose
of determining the amount of any shut-in royalties hereunder, the number of gross acres	above specified shall be deemed correct, whether a	actually more or less.
	TOV E.	
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for	a primary term of PIVC ( ))	years from the date hereof, and for
as long thereafter as oil or gas or other substances covered hereby are produced in pay otherwise maintained in effect pursuant to the provisions hereof.	ing quantities from the leased premises or from land	os pooleo inerewith of this lease is
Royalties on oil, gas and other substances produced and saved hereundersh	all be paid by Lessee to Lessor as follows: (a) For	r oil and other liquid hydrocarbons
3. Royalties on oil, gas and other substances produced and saved hereunder sh separated at Lessee's separator facilities, the royalty shall be ILLEATY - FIVE PE	$\underline{CC(N)+(3.5)}$ of such production, to t	ne delivered at Lessee's option to
Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities	s, provided that Lessee shall have the continuing rig	int to purchase such production at
the wellhead market price then prevailing in the same field (or if there is no such price prevailing price) for production of similar grade and gravity; (b) for gas (including	green prevailing in the same field, then in the field casing head das) and all other substances cover	ered hereby, the royalty shall be
$I \cup C \cap V \cup F \cap C \cap$	e from the sale thereof, less a proportionate part of	f ad valorem taxes and production,
severance, or other excise taxes and the costs incurred by Lessee in delivering, proces	sing or otherwise marketing such gas or other subs	tances, provided that Lessee shall
have the continuing right to purchase such production at the prevailing wellhead market then prevailing in the same field, then in the nearest field in which there is such a prev	price paid for production of similar quality in the san	ne tield (or it there is no such price
nearest preceding date as the date on which Lessee commences its purchases hereund	er; and (c) if at the end of the primary term or any tir	me thereafter one or more wells on
the leased premises or lands pooled therewith are capable of either producing oil or gas	or other substances covered hereby in paying qua	ntities or such wells are waiting on
hydraulic fracture stimulation, but such well or wells are either shut-in or production then	e from is not being sold by Lessee, such well or well	is shall nevertheless be deemed to
be producing in paying quantities for the purpose of maintaining this lease. If for a periodeling sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then	d of 90 consecutive days such well or wells are shu	It-in or production there from is not
depository designated below, on or before the end of said 90-day period and thereafter	on or before each anniversary of the end of said 90	O-day period while the well or wells
are shut-in or production there from is not being sold by Lessee; provided that if this	lease is otherwise being maintained by operations	s, or if production is being sold by
Lessee from another well or wells on the leased premises or lands pooled therewith, no	shut-in royalty shall be due until the end of the 90-c	day period next following cessation
of such operations or production. Lessee's failure to properly pay shut-in royalty shall re 4. All shut-in royalty payments under this lease shall be paid or tendered to Less	nder Lessee liable for the amount due, but shall not	operate to terminate this lease.
be Lessor's depository agent for receiving payments regardless of changes in the owner	ship of said land. All payments or tenders may be re	nade in currency, or by check or by
draft and such payments or tenders to Lessor or to the depository by deposit in the US	Mails in a stamped envelope addressed to the dep	pository or to the Lessor at the last
address known to Lessee shall constitute proper payment. If the depository should liqu	idate or be succeeded by another institution, or for	any reason fail or refuse to accept
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper record 5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is in	able instrument naming another institution as depos	ter called "dry hole") on the leased
premises or lands pooled therewith, or if all production (whether or not in paying qua	intities) permanently ceases from any cause, inclu	ding a revision of unit boundaries
pursuant to the provisions of Paragraph 6 or the action of any governmental author	rity, then in the event this lease is not otherwise	being maintained in force it shall
nevertheless remain in force if Lessee commences operations for reworking an existing	well or for drilling an additional well or for otherwis	e obtaining or restoring production
on the leased premises or lands pooled therewith within 90 days after completion of op the end of the primary term, or at any time thereafter, this lease is not otherwise beir	arations on such dry hote of within so days after such a maintained in force but I essee is then engaged	in drilling, reworking or any other
operations reasonably calculated to obtain or restore production therefrom, this lease sh	hall remain in force so long as any one or more of si	uch operations are prosecuted with
no cessation of more than 90 consecutive days, and if any such operations result in the	ne production of oil or gas or other substances cov	ered hereby, as long thereafter as
there is production in paying quantities from the leased premises or lands pooled there	with. After completion of a well capable of produc	ing in paying quantities nereunder,
Lessee shall drill such additional wells on the leased premises or lands pooled therewith to (a) develop the leased premises as to formations then capable of producing in pay	ing quantities on the leased premises of lands poor	led therewith, or (b) to protect the
leased premises from uncompensated drainage by any well or wells located on other la	inds not pooled therewith. There shall be no cover	ant to drill exploratory wells or any
additional wells except as expressly provided herein.		
<ol><li>Lessee shall have the right but not the obligation to pool all or any part of the depths or zones, and as to any or all substances covered by this lease, either before</li></ol>	leased premises or interest therein with any other	ver Lessee deems it necessary or
proper to do so in order to prudently develop or operate the leased premises, whether of	or not similar pooling authority exists with respect to	such other lands or interests. The
unit formed by such pooling for an oil well which is not a horizontal completion shall no	t exceed 80 acres plus a maximum acreage tolerar	ice of 10%, and for a gas well or a
horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of	10%; provided that a larger unit may be formed for	an oil well or gas well or horizontal
completion to conform to any well spacing or density pattern that may be prescribed or of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed	permitted by any governmental authority naving juri	I authority or, if no definition is so
prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic	feet per barrel and "gas well" means a well with an	initial gas-oil ratio of 100,000 cubic
feet or more per barrel, based on 24-hour production test conducted under normal	producing conditions using standard lease separa-	ator facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the hor	izontal component of the gross completion interval	at in facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizon component thereof. In exercising its pooling rights hereunder, Lessee shall file of recomponent thereof.	ord a written declaration describing the unit and st	ating the effective date of pooling.
Production, drilling or reworking operations anywhere on a unit which includes all or	any part of the leased premises shall be treated	as if it were production, drilling or
reworking operations on the leased premises, except that the production on which Les-	sor's rovalty is calculated shall be that proportion of	the total unit production which the
net acreage covered by this lease and included in the unit bears to the total gross ac Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights he	reage in the unit, but only to the extent such prop	but not the obligation to revise any
unit formed hereunder by expansion or contraction or both, either before or after corr	imencement of production, in order to conform to t	the well spacing or density pattern
prescribed or permitted by the governmental authority having jurisdiction, or to conform	n to any productive acreage determination made b	ly such governmental authority. In
making such a revision. Lessee shall file of record a written declaration describing the	revised unit and stating the effective date of revision	n. To the extent any portion of the
leased premises is included in or excluded from the unit by virtue of such revision, the be adjusted accordingly. In the absence of production in paying quantities from a unit,	proportion of unit production on which royalties are or upon permanent cessation thereof. I essee may t	payable nereunder shan dereafter terminate the unit by filing of record
a written declaration describing the unit and stating the date of termination. Pooling her	eunder shall not constitute a cross-conveyance of in	terests.
<ol><li>If Lessor owns less than the full mineral estate in all or any part of the leased;</li></ol>	premises, the royalties and shut-in royalties payable	hereunder for any well on any part
of the leased premises or lands pooled therewith shall be reduced to the proportion that	Lessor's interest in such part of the leased premise	es pears to the full mineral estate in

- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so re If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

  Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon
- expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and
- there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recrited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder, without interest until lessee is made aware of any claim inconsistent with Lessor's title Lessee averaged the naverage of royalties hereunder without interest until
- Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

LESSOR (WHETHER ONE OR MORE)		
Chry Black		
By: Chithy Black		By:
	CKNOWLED	GMENT
STATE OF Texas  COUNTY OF Jarrant  This instrument was acknowledged before me on the 13  by: Cathy Black a Willed	day of	February , 2009,
MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011		Notary Public, State of Text 5.  Notary's name (printed): Notary's commission expires:
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of	, 2009,

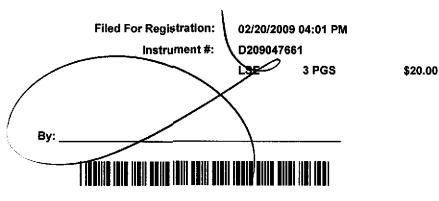


DALE PROPERTY SERVICES
ATTN: ANN VANDENBERG
2100 ROSS AVE, STE 1870, LB-9
DALLAS TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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